



## Office of the Comptroller

Liz Sumner, Comptroller

DATE: March 5, 2025

TO: Supervisor Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Cynthia (C.J.) Pahl, Financial Services Director

SUBJECT: 2025 Fiscal Projection for Milwaukee County – (For Information Only)

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### 2025 Year-end Fiscal Projection as of January 31, 2025

Wisconsin Statutes Section 59.255(2) and County Ordinance Section 56.02(2) require the Comptroller to provide a monthly update of the fiscal condition of the County. Typically, with only one month of fiscal activity reported, January is too early to issue a projection on the year-end position of the County. However, based on prior year actuals, current year fiscal projections submitted by departments, and known projected actions, Milwaukee County's projected 2025 year-end fiscal status is a **deficit of \$7.6 million**. This projection is based on the most current reports from departments and best estimates of countywide expenditure and revenue impacts.

FISCAL YEAR 2025				
Period	Month	Projected Year End Position	Annual Projection	Change from Prior Projection
1	January	Deficit	(\$7.6 million)	N/A

Major changes to the fiscal status are:

- Office of the Sheriff – deficit of \$6.8 million
- Community Reintegration Center – deficit of \$3.7 million
- Investment Earnings – surplus of \$4.9 million
- Sales Tax – deficit of \$7.2 million
- Contingency Fund – surplus of \$5.1 million

The table on the following page shows the fiscal status of each department. To better help demonstrate month-over-month changes, the table at the end of this report provides a summary of the fiscal information provided by departments for each month of the fiscal year.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of January 31, 2025 Period 1								
Agency	Description	2025 Projected Revenues	2025 Budgeted Revenues	Revenue Variance	2025 Projected Expenditures	2025 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
<b>General Fund Departments</b>								
100	County Board	-	-	-	1,205,599	1,205,599	-	-
103	Governmental Affairs	-	-	-	461,776	461,776	-	-
109	Office of Equity	(100,000)	(100,000)	-	1,034,363	1,034,363	-	-
110	County Executive	-	-	-	981,296	981,296	-	-
112	Personnel Review Board	-	-	-	228,481	291,972	63,491	63,491
113	Corporation Counsel	(294,184)	(294,184)	-	2,856,720	2,856,720	-	-
114	Human Resources	-	-	-	7,484,042	7,484,042	-	-
115	Dept of Administrative Services	(9,020,995)	(9,020,995)	-	43,980,983	43,980,983	-	-
118	Strategy, Budget, and Performance	-	-	-	3,429,847	3,429,847	-	-
200	Combined Court Related Operations	(13,409,178)	(13,410,920)	(1,742)	33,017,945	33,083,460	65,515	63,773
290	Courts - Pre-Trial Services	(549,581)	(549,581)	-	7,163,815	7,152,488	(11,327)	(11,327)
301	Election Commission	(71,164)	(45,750)	25,414	621,887	709,365	87,478	112,892
309	County Treasurer	(2,030,500)	(2,030,000)	500	1,022,257	1,022,257	-	500
327	County Clerk	(329,978)	(566,670)	(236,692)	1,458,118	1,580,389	122,271	(114,421)
340	Register of Deeds	(4,089,112)	(4,089,035)	77	1,491,327	1,491,327	-	77
370	Office of the Comptroller	(143,000)	(143,000)	-	6,535,002	6,535,002	-	-
400	Sheriff	(9,119,219)	(9,332,219)	(213,000)	72,657,895	66,061,175	(6,596,720)	(6,809,720)
430	Community Reintegration Center	(1,296,000)	(3,051,000)	(1,755,000)	72,969,530	71,069,332	(1,900,199)	(3,655,199)
450	District Attorney	(5,887,268)	(5,887,268)	-	15,489,650	15,489,650	-	-
480	Emergency Management	(3,503,266)	(3,503,266)	-	13,454,191	13,454,191	-	-
490	Medical Examiner	(3,748,681)	(3,748,681)	-	6,040,288	6,040,288	-	-
509	Transportation Services	(2,180,052)	(2,180,052)	-	2,647,910	2,648,658	748	748
510	DOT - Highway Maintenance	(27,674,075)	(27,674,075)	-	27,928,941	27,928,941	-	-
580	DOT - Admin Div	(400,000)	(400,000)	-	576,667	576,667	-	-
800	Department of Human Services	(172,748,116)	(172,793,116)	(45,000)	225,389,816	225,389,897	81	(44,919)
900	Department of Parks	(26,888,125)	(26,888,125)	-	54,502,916	54,502,916	-	-
950	Zoological Department	(21,932,797)	(21,932,797)	-	23,592,557	23,592,557	-	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(110,000)	(110,000)	-	532,133	532,133	-	-
<b>Non-Departmentals</b>								
190	Revenue Non-Departmental	(478,314,020)	(476,917,386)	1,396,634	-	-	-	1,396,634
1996	0.5% Sales Tax	(100,972,445)	(104,475,811)	(3,503,366)	-	-	-	(3,503,366)
1992	Earnings on Investments	(18,134,544)	(13,234,544)	4,900,000	-	-	-	4,900,000
194	General Non-Departmental	(71,500,037)	(75,211,483)	(3,711,446)	133,495,989	138,592,640	5,096,651	1,385,205
1945	Contingency	-	-	-	-	5,096,651	5,096,651	5,096,651
1950	Fringe Benefits	(81,974,609)	(81,974,609)	-	192,567,257	192,567,257	-	-
1951	Fringe Benefits - 0.4% Sales Tax	(79,869,203)	(83,580,649)	(3,711,446)	83,580,649	83,580,649	-	(3,711,446)
1972	Wage/Benefit Supplemental	-	-	-	2,050,000	2,050,000	-	-
199	Parks Non-Departmental	-	-	-	2,930,986	2,930,986	-	-
<b>Total General Fund</b>		<b>(855,339,349)</b>	<b>(859,879,603)</b>	<b>(4,540,254)</b>	<b>768,682,927</b>	<b>765,610,917</b>	<b>(3,072,010)</b>	<b>(7,612,264)</b>
<b>Other Funds</b>								
116	Information Management Services	(1,164,354)	(1,164,354)	-	17,288,557	17,288,557	-	-
117	Risk Management	-	-	-	12,381,812	12,381,812	-	-
504	DOT - Airport Division	(102,573,020)	(104,612,055)	(2,039,035)	102,573,020	104,612,055	2,039,035	-
530	DOT - Fleet Management	(25,876,358)	(25,876,358)	-	26,907,968	26,907,968	-	-
560	DOT - Transit/Paratransit System	(126,144,018)	(126,144,018)	-	153,087,606	153,087,606	-	-
550	DAS - Utility	-	-	-	-	-	-	-
630	Behavioral Health Division	(174,170,131)	(174,170,131)	-	243,902,928	243,902,928	-	-
996	Debt Retirement and Interest	(8,351,997)	(8,351,997)	-	40,613,976	40,613,976	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(91,105,790)	(91,105,790)	-	292,412,970	292,412,970	-	-
<b>Total Other Funds</b>		<b>(528,221,314)</b>	<b>(530,260,349)</b>	<b>(2,039,035)</b>	<b>871,880,280</b>	<b>873,919,315</b>	<b>2,039,035</b>	<b>-</b>
<b>Expendable Trusts</b>								
50003	Zoo Expendable Trusts	(2,120,880)	(2,120,880)	-	2,300,510	2,300,510	-	-
50005	Parks Expendable Trusts	(497,975)	(497,975)	-	380,421	380,421	-	-
50006	OPD Expendable Trusts	-	-	-	-	-	-	-
50007	BHD Expendable Trusts	-	-	-	-	-	-	-
50008	Airport Expendable Trusts	-	-	-	-	-	-	-
50010	DAS Expendable Trusts	-	-	-	-	-	-	-
50011	Fleet Expendable Trusts	-	-	-	-	-	-	-
<b>Total Expendable Trusts</b>		<b>(2,618,855)</b>	<b>(2,618,855)</b>	<b>-</b>	<b>2,680,931</b>	<b>2,680,931</b>	<b>-</b>	<b>-</b>
<b>Projected Surplus (Deficit)</b>		<b>(1,386,179,517)</b>	<b>(1,392,758,807)</b>	<b>(6,579,290)</b>	<b>1,643,244,138</b>	<b>1,642,211,163</b>	<b>(1,032,974)</b>	<b>(7,612,264)</b>
Less Expendable Trusts								
Contribution (to)/from Behavioral Health Reserves								
<b>Total Projected Surplus (Deficit) - with Contingency</b>								<b>(7,612,264)</b>
<b>Total Projected Surplus (Deficit) - without Contingency</b>								<b>(12,708,915)</b>

<b>Debt Service Reserve Activity and Projected 2025 Ending Balance</b>	
<b>2024 Yearend Surplus (Estimate)</b>	\$ 15,000,000
<b>2025 Starting Balance</b>	\$ 143,924,476
<i>2025 Activity</i>	
	2025 Budget Commitment \$ (7,443,123)
	File #23-808, #24-753, #24-763 Reinstate 2024 Tax Levy Funded Projects \$ (10,064,310)
	File #25-101 Unpsent Bond Reallocation \$ (1,104,211)
<b>2025 Projected Balance</b>	<b>\$ 125,312,832</b>

<b>Unallocated Contingency Fund</b>	
<b>2025 Adopted Balance</b>	<b>\$ 4,000,000</b>
<i>County Board Approved Actions</i>	
	File #25-101 Unpsent Bond Reallocation \$ 596,651
<b>Current Available Balance</b>	<b>\$ 4,596,651</b>

<b>Allocated Contingency Fund</b>	
<b>2025 Adopted Balance</b>	<b>\$ 500,000</b>
<i>Allocated Items</i>	
	<i>Potential Increases to State Juvenile Correction Rate</i> \$ 500,000
<b>Current Available Balance</b>	<b>\$ 500,000</b>

**Committee Action**

This is an informational report only.

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Cynthia (CJ) Pahl, Financial Services Director  
Office of the Comptroller

## DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2025

### **Office of the Sheriff (Agency 400)**

***(\$6.8 million deficit)***

The Office of the Sheriff ended 2024 with a significant deficit due largely to unbudgeted overtime costs. For 2025, overtime costs are currently projected to exceed budget by approximately \$8.5 million and social security by \$0.5 million. The Sheriff is projecting a salary surplus of \$2.4 million and a revenue deficit of \$0.2 million, resulting in a net projected deficit of \$6.8 million for 2025.

### **Community Reintegration Center (Agency 430)**

***(\$3.7 million deficit)***

The Community Reintegration Center ended 2024 with a significant deficit due largely to unbudgeted overtime costs. For 2025, overtime costs are currently projected to exceed budget by approximately \$2.5 million. Other revenue issues result in a projected deficit of \$3.7 million in 2025.

### **Non-Departmental Expenditures and Revenues**

#### **Appropriation for Contingency (Org 1945)**

***\$5.1 million surplus***

The contingency fund's balance, if unused, falls to the bottom line at the end of the fiscal year and is available to offset any potential issues. As of today, the contingency fund has an unallocated balance of \$4,596,651 and an allocated balance of \$500,000.

#### **Investment Earnings (Org 1992)**

***\$4.9 million surplus***

Investment earnings in 2024 were well above budget due to high short-term investment yields. Those high yields have been shrinking since September 2024 and will likely impact the County's short-term earnings. However, long-term yields are up, increasing long-term earnings. Assuming short-term yields continue to fall, and long-term yields hold steady, the County could have a surplus of roughly \$4.9 million.

#### **Sales Tax (Org 1996/Org 1951)**

***(\$7.2 million deficit)***

Actual sales tax collections for 2024 were \$7.9 million short of budget. The 2025 sales tax budget was reduced by \$1.0 million, but to make budget, the County would need to experience a year-over-year growth in sales tax collections of 3.8% which is unlikely given the growth rate in 2024 was basically 0%. Assuming a flat year-over-year growth rate results in a deficit of \$7.2 million for 2025.

Milwaukee County														
Cumulative Summary of Monthly Departmental Projections for 2025														
Agency	Description	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FINAL
<b>General Fund Departments</b>														
100	County Board	-												
103	Governmental Affairs	-												
109	Office of Equity	-												
110	County Executive	-												
112	Personnel Review Board	63,491												
113	Corporation Counsel	-												
114	Human Resources	-												
115	Dept of Administrative Services	-												
118	Strategy, Budget, and Performance	-												
200	Combined Court Related Operations	63,773												
290	Courts - Pre-Trial Services	(11,327)												
301	Election Commission	112,892												
309	County Treasurer	500												
327	County Clerk	(114,421)												
340	Register of Deeds	77												
370	Office of the Comptroller	-												
400	Sheriff	(6,809,720)												
430	Community Reintegration Center	(3,655,199)												
450	District Attorney	-												
480	Emergency Management	-												
490	Medical Examiner	-												
509	Transportation Services	748												
510	DOT - Highway Maintenance	-												
580	DOT - Admin Div	-												
800	Department of Human Services	(44,919)												
900	Department of Parks	-												
950	Zoological Department	-												
970	Milwaukee Public Museum	-												
991	University Extension	-												
<b>Non-Departmentals</b>														
190	Revenue Non-Departmental	1,396,634												
1996	Sales Tax	(3,503,366)												
1992	Earnings on Investments	4,900,000												
194	General Non-Departmental	1,385,205												
1945	Contingency	5,096,651												
1950	Fringe Benefits	-												
1951	Fringe Benefits - 0.4% Sales Tax	(3,711,446)												
1972	Wage/Benefit Supplemental	-												
199	Parks Non-Departmental	-												
<b>Other Funds</b>														
116	Information Management Services	-												
117	Risk Management	-												
504	DOT - Airport Division	-												
530	DOT - Fleet Management	-												
560	DOT - Transit/Paratransit System	-												
550	DAS - Utility	-												
630	Behavioral Health Division	-												
996	Debt Retirement and Interest	-												
10024	COVID Expendable Funds	-												
120	Capital Improvements	-												
NR=No Report														